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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

APPELLANTS: LIKOUREZOS et al. GROUP ART UNIT: 3628

SERIAL NO.: 09/764,618 FILED: January 17, 2001

EXAMINER: Clement B. Graham Atty. Docket No. 1002

FOR: **SYSTEM AND METHOD FOR EFFECTING PAYMENT  
FOR AN ELECTRONIC COMMERCE TRANSACTION**

**Mail Stop Appeal Brief - Patents**

Commissioner for Patents

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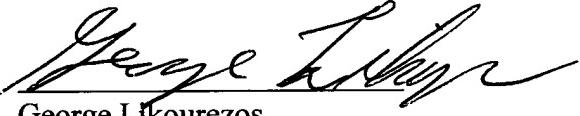
TRANSMITTAL OF APPELLANTS' BRIEF

Sir:

Enclosed please find APPELLANTS' BRIEF in triplicate.

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Respectfully submitted,

  
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Dated: December 5, 2005

  
George Likourezos



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**BRIEF ON APPEAL**

Sir:

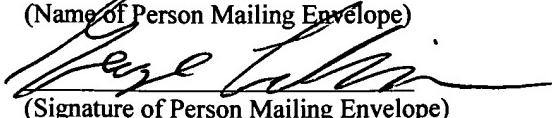
Appellants herewith respectfully present their Brief on Appeal as follows:

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George Likourezos  
(Name of Person Mailing Envelope)

  
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## **I. REAL PARTIES IN INTEREST**

The real parties in interest are George Likourezos and Michael A. Scaturro.

## **II. RELATED APPEALS AND INTERFERENCES**

To the best of Appellants' knowledge and belief, there are no other related appeals or interferences for this application.

### **III. STATUS OF CLAIMS**

Claims 1-31 are pending in this application. Claim 1-31 are rejected in the Final Office Action mailed on May 6, 2005. This rejection was upheld in an Advisory Action mailed on September 26, 2005. Claims 1-31 are the subject of this appeal. A copy of Claims 1-31 are presented in the Appendix of Claims.

#### **IV. STATUS OF AMENDMENTS**

An Amendment after the Final Action was filed on August 8, 2005 in response to the Final Office Action. In the Amendment, the title was amended; no amendments were made to the claims. The Advisory Action upheld the rejection in response to that Amendment. This Appeal Brief is in response to the Final Office Action that rejected Claims 1-31 and the Advisory Action that upheld that rejection.

## **V. SUMMARY OF CLAIMED SUBJECT MATTER**

The claimed subject matter relates to novel methods and systems for effecting payments for transactions resulting from electronic or online auctions where items are offered for electronic auction sales by sellers via an electronic auction web site maintained by an electronic auction system and bids are received from buyers via respective network connections.

A first aspect of the present invention, as claimed in independent Claim 1, relates to a method for effecting payment for a purchaser of at least one item offered for an electronic auction sale by a seller via an electronic auction web site maintained by at least one computing device of an electronic auction system 112. The method includes performing at least one payment-related activity by an electronic auction payment system 110 for effecting payment for the purchaser. The at least one payment-related activity is selected from the group consisting of debiting an electronic auction payment account corresponding to the purchaser of the at least one item and withdrawing funds from at least one account storing funds therein and not corresponding to at least one of a plurality of users of the electronic auction web site. The method as recited by Claim 1 is described throughout Appellants' specification and drawings, such as page 16, line 21 to page 17, line 4; page 17, lines 12-15; and FIGs. 1 and 6.

A second aspect of the present invention is a system analogous to the method recited by independent Claim 1 and is recited by independent Claim 14. The system includes means for maintaining a payment segment of the electronic auction web site and a plurality of electronic auction payment accounts. The system also includes means for performing the at least one payment-related activity by an electronic auction payment system 110 for effecting payment for the purchaser. The system further includes means for crediting at least one account

corresponding to the seller to effect payment for the at least one item. The system as recited by Claim 14 is described throughout Appellants' specification and drawings, such as page 16, line 21 to page 17, line 4; page 17, lines 12-15; and FIGs. 1 and 6. The functions of maintaining, performing and crediting are performed by a processor 118 of the electronic auction payment system 110 executing a set of programmable instructions stored within a memory 119, as described in the specification such as page 11, lines 1-12 (FIG. 1).

A third aspect of the present invention, as claimed in independent Claim 21, relates to a payment system 110 for effecting payment to a seller of at least one item offered for an electronic auction sale via an electronic auction web site and won by a winning bidder at the conclusion of the electronic auction sale. The payment system 110 includes a database 114 containing a plurality of electronic auction payment accounts. One of the plurality of electronic auction payment accounts corresponds to the winning bidder of the at least one item and one of the plurality of electronic auction payment accounts corresponds to the seller. The payment system 110 also comprises a computing device including application software for maintaining the plurality of electronic auction payment accounts and for automatically effecting payment to the seller by accessing the database 114 and debiting the electronic auction payment account corresponding to the winning bidder of the at least one item and crediting at least one account corresponding to the seller without any intervention by the winning bidder following the conclusion of the electronic auction. The system as recited by Claim 21 is described throughout Appellants' specification and drawings, such as page 11, lines 1-12; page 16, lines 11-20; and FIGs. 1 and 4A.

A fourth aspect of the present invention, as claimed in independent Claim 24, relates to a method for automatically effecting payment for a user of an electronic auction web site maintained by an electronic auction system 112. The method includes determining if there are sufficient funds in a payment account to effect payment and loaning funds to effect payment, if there are not sufficient funds in the payment account corresponding to the user of the electronic auction web site. The method as recited by Claim 24 is described throughout Appellants' specification and drawings, such as page 16, line 21 to page 17, line 11; page 20, line 12 to page 21, line 3; page 27, lines 5-10; and FIG. 6.

A fifth aspect of the present invention, as claimed in independent Claim 28 relates to a payment system 110 for effecting payment for at least one of a plurality of online auction registered users of an online auction web site maintained by an online auction system 112. The payment system 110 includes a computing device including application software for maintaining a plurality of accounts and for periodically effecting payment for the at least one of the plurality of online auction registered users by debiting an account of the plurality of accounts and crediting at least one account. The debited account corresponds to the at least one online auction registered user. The system as recited by Claim 28 is described throughout Appellants' specification and drawings, such as page 20, line 22 to page 21, line 3; and FIG. 4B.

Finally, a sixth aspect of the present invention, as claimed in independent Claim 30 relates to a payment system 110 for effecting payment to an operator of an online auction web site maintained by an online auction system 112. The payment system 110 includes a computing device including application software for maintaining a plurality of accounts and for automatically effecting payment for at least one of the plurality of online auction registered users

by debiting an account of the plurality of accounts and crediting at least one account corresponding to the operator. The debited account corresponds to the at least one online auction registered user. The system as recited by Claim 30 is described throughout Appellants' specification and drawings, such as page 18, lines 10-18; and FIG. 4A.

**VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL**

Whether Claims 1-31 are unpatentable under 35 U.S.C. §103(a) over U.S. Patent No. 6,760,470 issued to Bogosian et al. on July 6, 2004 (hereinafter “Bogosian et al.”) in view of U.S. Patent No. 6,629,082 issued to Hambrecht et al. on September 30, 2003 (hereinafter “Hambrecht et al.”).

## **VIII. ARGUMENT**

Claims 1-31, which include independent Claims 1, 14, 21, 24, 28 and 30, are said to be unpatentable under 35 U.S.C. § 103(a) over Bogosian et al. in view of Hambrecht et al. Appellants contend that each of these claims is patentably distinct from teachings of Bogosian et al. and Hambrecht et al., taken alone or in any proper combination. Accordingly, Appellants hereby respectfully present to the Board the following arguments in support of their position that Claims 1-31 are patentably distinct over the teachings of Bogosian et al. and Hambrecht et al., taken alone or in any proper combination.

### **I. IMPROPER 35 U.S.C. § 103(a) REJECTION FOR INDEPENDENT**

#### **CLAIMS 21, 28 AND 30**

Before reaching the merits of the Appellants' position and the Examiner's position, Appellants note that a proper rejection under 35 U.S.C. § 103 requires the following considerations as stated by Section 706.02(j) of the MPEP. Under a 35 U.S.C. § 103 rejection, the Examiner should set forth in the rejection:

- (A) the relevant teachings of the prior art relied upon, preferably with reference to the relevant column or page number(s) and line number(s) where appropriate,
- (B) the difference or differences in the claims over the applied reference(s),
- (C) the proposed modification of the applied reference(s) necessary to arrive at the claimed subject matter, and
- (D) an explanation why one of ordinary skill in the art at the time the invention was made would have been motivated to make the proposed modification.

Also, the rejection must apply the following four factual inquiries (MPEP Section 2141) enunciated in Graham v. John Deere Co., 383 U.S. 1, 148 USPQ 459 (1966), as a background for determining obviousness:

- (A) Determining the scope and contents of the prior art;
- (B) **Ascertaining the differences between the prior art and the claims at issue;** (emphasis added)
- (C) Resolving the level of ordinary skill in the pertinent art; and
- (D) Evaluating evidence of secondary considerations.

In the Final Office Action, the Examiner sets forth the teachings of Bogosian et al. and Hambrecht et al. for rejecting Appellants' independent Claims 1, 14 and 24, and the Examiner sets forth the teachings of Bogosian et al. alone for rejecting Appellants' independent Claims 21, 28 and 30 under 35 U.S.C. § 103. Appellants respectfully submit that the Examiner does not set forth with respect to at least independent Claims 21, 28 and 30 the requirements provided by items (A), (B), (C) and (D) of MPEP 706.02(j) which this Board has repeatedly stated is required for a proper 35 U.S.C. § 103 rejection.

In particular, in rejecting at least independent Claims 21, 28 and 30, the Final Office Action does not set forth the relevant teachings of Hambrecht et al. which the Examiner relied upon as required by item (A); the Final Office Action does not set forth the difference or differences in independent Claims 21, 28 and 30 over the applied references as required by item (B); the Final Office Action does not set forth a proposed modification of the applied references necessary to arrive at the claimed subject matter as required by item (C); and the Final Office Action does not set forth an explanation why one of ordinary skill in the art at the time the

invention was made would have been motivated to make the proposed modification as required by item (D). As such, the obviousness rejection with respect to at least independent Claims 21, 28 and 30 is procedurally defective because the Examiner has not provided the information required by MPEP 706.02(j).

In the Final Office Action, with respect to Claims 21, 28 and 30, the Examiner sets forth the recitations of these claims and provides citations in parenthesis corresponding to Bogosian et al. There is no discussion with regards to the relevant teachings of Hambrecht et al. which the Examiner relied upon as required by item (A); the difference or differences in independent Claims 21, 28 and 30 over Bogosian et al and/or Hambrecht et al. as required by item (B); a proposed modification of the Bogosian et al. and/or Hambrecht et al. necessary to arrive at the claimed subject matter as required by item (C); and an explanation why one of ordinary skill in the art at the time the invention was made would have been motivated to make the proposed modification as required by item (D).

Further, the Examiner does not ascertain the differences between the cited prior art references and independent Claims 21, 28 and 30 as legally required for a proper 35 U.S.C. § 103 rejection. As such, the obviousness rejection with respect to at least independent Claims 21, 28 and 30 is legally defective for not applying the test for patentability under 35 U.S.C. § 103 set forth in Graham.

Accordingly, it is respectfully requested that the rejection under 35 U.S.C. § 103 with respect to independent Claims 21, 28 and 30 be reversed and Claims 21, 28 and 30 and their respective dependent claims be allowed.

Notwithstanding the Appellants' aforementioned contention of legal and procedural defectiveness with respect to independent claims 21, 28 and 30, the Appellants have set forth two arguments in Sections B.1. and B.2. with respect to the patentability of independent Claims 21, 28 and 30 over the teachings of Bogosian et al. taken alone (Section II.B.1.) and the combination of Bogosian et al. and Hambrecht et al., if taken alone or in any proper combination (Section II.B.2.).

## **II. REJECTION OF CLAIMS 1-31**

### **A. Independent Claims 1, 14 and 24 and Dependent Claims 2-13, 15-20 and 25-27**

It is respectfully submitted that the combination of Bogosian et al. and Hambrecht et al. in rejecting Appellants' Claims 1-20 and 25-27 under 35 U.S.C. § 103(a) is improper since Hambrecht et al. is a non-analogous prior art reference. Furthermore, there is no proper motivation to combine the references as respectively discussed in Sections C and D herein below.

Assuming arguendo that Hambrecht et al. is an analogous prior art reference and there is motivation to combine the two references, it is respectfully submitted that Hambrecht et al. does not cure the deficiencies of Bogosian et al. with respect to independent Claims 1, 14 and 24 and their corresponding dependent claims.

With respect to Claims 1 and 14, the Examiner states the Hambrecht et al. cures the deficiencies of Bogosian et al., namely, that Bogosian et al. fails to "explicitly teach withdrawing funds from at least one account storing funds therein and not corresponding to at least one of the plurality of users." Hambrecht et al., as read by Appellants, is directed to techniques for registering investors, pricing equity securities and allocating equity securities. It is respectfully submitted that there is no disclosure or suggestion by Hambrecht et al. that the described auction

system and method settle transactions by effecting payments following equity allocation, let alone, any disclosure or suggestion by Hambrecht et al. of effecting payment by “withdrawing funds from the at least one account storing funds therein and not corresponding to at least one of the plurality of users,” as recited by Appellants’ Claims 1 and 14. In fact, with respect to Claims 1 and 14, as further discussed below, Hambrecht et al. provides an example of an equity auction process which teaches away from Appellants’ above-noted limitations. See column 5, line 1 to column 7, line 7.

With respect to Claim 24, the Examiner states that Hambrecht et al. cures the deficiencies of Bogosian et al., namely, that Bogosian et al. fails to “explicitly teach determining if there are sufficient funds in a payment account to effect said payment and loaning funds to effect payment if there are not sufficient funds in the payment account corresponding to the user of the electronic auction web site.” As discussed above with respect to Claims 1 and 14, Hambrecht et al., as read by Appellants, is directed to techniques for registering investors, pricing equity securities and allocating equity securities. It is respectfully submitted that there is no disclosure or suggestion by Hambrecht et al. that the described auction system and method settle transactions by effecting payments following equity allocation, let alone, any disclosure or suggestion by Hambrecht et al. of effecting payment by “determining if there are sufficient funds in a payment account to effect payment … and loaning funds to effect payment, if there are not sufficient funds in the payment account corresponding to the user of the electronic auction web site,” as recited by Appellants’ Claim 24.

The Appellants disagree with the Examiner’s interpretation and characterization of the teachings of Hambrecht et al. and respectfully submit that Hambrecht et al. does not disclose or

suggest the limitations recited above with respect to Claims 1, 14 and 24, and therefore, does not cure the deficiencies of Bogosian et al.

In the Final Office Action, in arguing that Hambrecht et al. cures the deficiencies of Bogosian et al., the Examiner cites column 8, lines 19-51 in Hambrecht et al. which reads:

As described below, nonqualified individual investors can enter bids through a broker, who would gain a reallowance on the trade and ensure there is **sufficient funding in the brokerage account to cover the transaction**. Individuals without brokerage accounts can be directed to one of the Underwriter's brokerage partners. The second group includes professional money managers and institutional investors. Some professional investors may wish to route bids through their brokerage accounts via telephone or dedicated terminals while others may wish to enter bids directly over the Internet and **settle transactions through an existing account**. For direct bidders, the Auction system may require a mechanism to **ensure that there are sufficient funds in the account to settle the transaction**. Partnerships with brokerage houses that have a large installed base of dedicated terminals could provide interesting marketing opportunities for offerings as well as a means to ensure secure and valid bids. (Emphasis added)

It is respectfully submitted that this passage, or any other passage in Hambrecht et al., does not disclose or suggest the limitations recited above with respect to Claims 1, 14 and 24.

It is clear from the disclosure of Hambrecht et al. recited above, that nonqualified individual investors can enter bids through a broker who ensures there is sufficient funding in a brokerage account to **cover the transaction**. However, what is not clear from the disclosure of Hambrecht et al. is whether the brokerage account is a brokerage account corresponding to one of the individual investors or to the broker. It is submitted that irrespective of whether the brokerage accounts correspond to the individual investors or the broker, the disclosure of Hambrecht, as recited in the Final Office Action, does not cure the deficiencies of Bogosian et al. with respect to Claims 1 and 14 for at least the following reasons.

The first sentence of the above passage is directed to covering the transaction—not withdrawing funds from the brokerage account as is required by Appellants' Claims 1 and 14. One cannot reasonably conclude from Hambrecht et al., that the brokerage account used to cover the transaction (and which may or may not correspond to one of the users of the auction process) is used to withdraw funds for performing a payment-related activity for effecting payment, as is required by Appellants' Claims 1 and 14.

The above passage further states that some professional investors may settle transactions through an existing account. There is no disclosure in Hambrecht et al. that the existing account corresponds to an individual who is not a user of the online web site. Appellants' Claims 1 and 14 specifically require that funds are withdrawn from at least one account which does not correspond to at least one of the plurality of users of the electronic auction web site.

Hambrecht et al. discloses that to settle a transaction, in an exemplary equity auction process, funds are transferred from brokerage accounts corresponding to successful bidders or users of the online web site. Hambrecht et al. discloses that funds are withdrawn and transferred “**from the brokerage accounts of all successful bidders** to the clearing agent in accordance with the usual and customary procedures for settlement in accordance with Rule 15C61.” Column 6, lines 62-65. There is no disclosure or suggestion by Hambrecht et al. that funds are withdrawn and transferred from accounts which do not correspond to the successful bidders or users of the electronic auction web site for effecting payment as required by Appellants' Claims 1 and 14.

Accordingly, Hambrecht et al. does not disclose or suggest performing at least one payment-related activity for effecting payment for a purchaser, where one payment-related

activity that can be performed is “withdrawing funds from at least one account storing funds therein and not corresponding to at least one of the plurality of users [of the electronic auction web site],” as recited by Appellants’ Claim 1, and similarly recited by Appellants’ Claim 14.

With respect to Claim 24, the above passage quoted from Hambrecht et al. states that for direct bidders the auction system may require a mechanism to ensure that there are sufficient funds in the account to settle the transaction. Hambrecht et al. further states at column 13, lines 48-52 that “[i]nstitutional investors may be permitted to submit bids based upon credit policies, but retail customers will have to have actual funds in their account sufficient to cover a bid in order to submit a bid for an auction of securities.”

The Examiner mischaracterizes these teachings in stating that the system disclosed by Hambrecht et al. determines “if there are sufficient funds in a payment account to effect said payment and loaning funds to effect payment if there are not sufficient funds in the payment account corresponding to the user of the electronic auction web site.” It is respectfully submitted that Hambrecht et al. teaches that the auction system may require a mechanism to ensure that an account corresponding to a direct bidder has sufficient funds to settle the transaction **prior to submitting a bid**. Hambrecht et al. also teaches that institutional investors may be permitted by the auction system to **submit bids** based upon credit policies.

Hambrecht et al. does not teach that institutional investors can use credit to settle the transactions or that a direct bidder with insufficient funds can submit a bid. In particular, Hambrecht et al. does not disclose or suggest that payment is effected automatically by determining if there are sufficient funds in a payment account to effect payment and loaning

funds if there are not sufficient funds in the payment account corresponding to the user of the electronic auction web site, as required by Appellants' Claim 24.

The only possible motivation in stating that Hambrecht et al. teaches determining if there are sufficient funds in a payment account to effect payment and loaning funds to effect payment, if there are not sufficient funds is hindsight reconstruction using Appellants' disclosure as a blueprint. “[H]indsight-based obvious analysis” has been characterized by the Federal Circuit as a “subtle but powerful attraction.” In re Dembizcak, 175 F.3d 994, 999, 50 USPQ2d 1614, 1617 (Fed. Cir. 1999), limited on other grounds by In re Gartside, 203 F.3d 1305, 53 USPQ2d 1769 (Fed. Cir. 2000).

Accordingly, since the prior art references do not disclose or suggest all of Appellants' claim limitations, a requirement in establishing a prima facie case of obviousness, Appellants' independent Claims 1, 14 and 24 and their corresponding dependent claims are patentably distinct over Bogosian et al. and Hambrecht et al., taken alone or in any proper combination. Hence, withdrawal of the rejection under 35 U.S.C. §103(a) with respect to Claims 1, 14 and 24 and their corresponding dependent claims and allowance thereof are respectfully requested.

#### **B. Independent Claims 21, 28 and 30 and Dependent Claims 22, 23, 29 and 31**

Appellants respectfully submit that the rejection with respect to independent Claims 21, 28 and 30 as set forth in the Final Office Action is procedurally and legally defective for the reasons set forth in Part I above. Nonetheless, Appellants will now present arguments setting forth the patentability of independent Claims 21, 28 and 30 and their respective dependent claims over the teachings of Bogosian et al. taken alone (Section B.1.) and the combination of Bogosian et al. and Hambrecht et al., if taken alone or in any proper combination (Section B.2.), in case the

Board disagrees with Appellants' contention that the rejection of independent Claims 21, 28 and 30 set forth in the Final Office Action is procedurally and legally defective.

**1. Rejection of Independent Claims 21, 28 and 30 Over Bogosian et al.**

Bogosian et al. teaches a method for effecting payment for a buyer of an item by charging the buyer's credit card. Bogosian et al. recites in the Abstract, "...when a buyer purchases one or more items from a seller, **the buyer's credit card account is charged** to collect funds for the purchase...." Bogosian et al. further teaches at least a portion of the collected funds is deposited into a bank account of the seller to effect payment using a previously extracted bank routing number. (Emphasis added) See Abstract; column 2, lines 48-67; column 5, lines 41-55; column 13, lines 48-55.

Additionally, Bogosian et al. teaches that **a manual action** is required to be performed by the buyer or winning bidder prior to charging the buyer's or winning bidder's credit card, collecting the funds, and depositing at least a portion of the collected funds into the seller's bank account. See column 5, lines 17-34.

Bogosian et al. teaches away from Appellants' claimed invention. According to Bogosian et al., the collected funds are deposited in a seller's bank account. Bogosian et al. does not teach storing funds in a seller's account of the type which can be debited for effecting payment on behalf of the seller for a future transaction. According to Bogosian et al., if for example, the seller is the buyer in a future transaction, payment will be effected by charging the seller's credit card to collect funds and not by debiting a seller's account storing funds therein. In sharp contrast, only the Appellants have realized a payment system for effecting payment for electronic or online auction transactions by debiting and crediting accounts configured for storing

funds therein, as recited by Appellants' independent Claims 21, 28 and 30.

In particular, Bogosian et al. does not disclose or suggest "a plurality of electronic auction payment accounts ... **configured for storing funds therein ... [and] automatically effecting payment to the seller** by accessing the database and **debiting** the electronic auction payment account corresponding to the winning bidder of the at least one item and **crediting** at least one account corresponding to the seller **without any intervention by the winning bidder following the conclusion of the electronic auction,**" as recited by Appellants' independent Claim 21.

(Emphasis added)

Bogosian et al., *inter alia*, also does not disclose or suggest a "plurality of accounts being **configured for storing funds therein ... [and] application software for maintaining the plurality of accounts and periodically effecting payment** for the at least one of the plurality of online auction registered users by **debiting** an account of the plurality of accounts and **crediting** at least one account," as recited by Appellants' independent Claim 28. (Emphasis added)

Additionally, Bogosian et al., *inter alia*, also does not disclose or suggest a "plurality of accounts being **configured for storing funds therein ... [and] application software for maintaining said plurality of accounts and for automatically effecting payment** for at least one of the plurality of online auction registered users by **debiting** an account of the plurality of accounts and **crediting** at least one account," as recited by Appellants' independent Claim 30.

(Emphasis added)

Accordingly, since the prior art reference does not disclose or suggest all of Appellants' claim limitations, a requirement in establishing a prima facie case of obviousness, Appellants' independent Claims 21, 28 and 30 are patentably distinct over Bogosian et al. Hence, withdrawal

of the rejection under 35 U.S.C. §103(a) with respect to Claims 21, 28 and 30 and allowance thereof are respectfully requested.

Appellants' dependent Claims 29 and 31 also recite limitations which are not disclosed or suggested by Bogosian et al. In particular, Bogosian et al. does not disclose or suggest "application software [which] periodically effects payment for the at least one of the plurality of online auction registered users **without any intervention by the at least one online auction registered user**," as recited by Appellants' dependent Claim 29. (Emphasis added) Bogosian et al. does not disclose or suggest effecting payment without any intervention by a registered user.

The word "periodic" is defined in *Webster's Encyclopedic Unabridged Dictionary of the English Language*, Random House Value Publishing, Inc., 1996, as follows: "1. recurring at intervals of time: *periodic revivals of an interest in handicrafts*. 2. occurring or appearing at regular intervals: *periodic visits of a mail steamer to an island*. 3. repeated at irregular intervals; intermittent: periodic outbreaks of the disease." Bogosian et al. at best suggests periodically effecting payment by a buyer at regular or irregular intervals. For example, in the system disclosed by Bogosian et al., a registered user can effect payment at a first given time, subsequently effect payment at a second given time, subsequently effect payment at a third given time, and so on, at regular or irregular intervals between each given time. However, in the system described by Bogosian et al., at least one registered user has to intervene every time a payment is to be made via the system described by Bogosian et al. See column 12, line 64 to column 14, line 3. In contrast, Appellants' Claim 29 specifically states, "effects payment ... without any intervention by the at least one online auction registered user."

Similarly, with respect to Appellants' Claim 31, Bogosian et al. does not disclose or suggest "application software [which] **automatically effects payment** for the at least one of the plurality of online auction registered users **without any intervention by the at least one online auction registered user**," as recited by Appellants' dependent Claim 31. (Emphasis added) As stated herein, in the system and method described by Bogosian et al., at least one registered user has to intervene every time a payment is to be made (a manual action has to be performed) See column 12, line 64 to column 14, line 3. In contrast, Appellants' Claim 31 specifically states, "automatically effects payment ... without any intervention by the at least one online auction registered user."

Additionally, with respect to dependent Claims 29 and 31, as well as dependent Claims 22 and 23, these claims depend from Claims 21, 28 and 30, and therefore include the limitations of Claims 21, 28 and 30. Therefore, for at least the same reasons given above for Claims 21, 28 and 30, Claims 22, 23, 29 and 31 are believed to be allowable over Bogosian et al. Accordingly, withdrawal of the rejection under 35 U.S.C. §103(a) with respect to Claims 22, 23, 29 and 31 and allowance thereof are respectfully requested.

**2. Rejection of Independent Claims 21, 28 and 30 Over  
Bogosian et al. in view of Hambrecht et al.**

It is respectfully submitted that if Bogosian et al. was combined with Hambrecht et al. to reject Appellants' Claims 21-23 and 28-31, the combination would have been inappropriate since Hambrecht et al. is a non-analogous prior art reference, and further there is no motivation to combine the references as respectively discussed in Sections C and D herein.

Assuming arguendo that Hambrecht et al. is an analogous prior art reference and there is motivation to combine the two references, it is respectfully submitted that Hambrecht et al. does not cure the deficiencies of Bogosian et al. with respect to independent Claims 21, 28 and 30 and their corresponding dependent claims. With respect to Claim 21, Hambrecht et al. does not disclose or suggest “a computing device including application software … for **automatically effecting payment to the seller** by accessing the database and debiting the electronic auction payment account corresponding to the winning bidder of the at least one item and crediting at least one account corresponding to the seller **without any intervention by the winning bidder following the conclusion of the electronic auction ....”**

The system and method described by Hambrecht et al. allocate and price equity securities. The system and method of the various embodiments described by Hambrecht et al. do not effect payments for settling transactions. As far as settling transactions is concerned, Hambrecht et al. discloses that “clearing and settlement of executions are handled according to SEC and NASD requirements by the clearing agents.” See column 8, lines 5-7. Hambrecht et al. also discloses that settlement funds are transferred from the brokerage account of all successful bidders to the clearing agent in accordance with customary procedures. See column 6, lines 62-65.

There is no disclosure or suggestion that the system described by Hambrecht et al. is a payment system for effecting payment to a seller of at least one item offered for an electronic auction sale via an electronic auction web site and won by a winning bidder at the conclusion of the electronic auction sale as recited by the preamble of Appellants’ Claim 21. In particular, there is no disclosure or suggestion in Hambrecht et al. that payment is effected automatically without any intervention by the winning bidder following the conclusion of the electronic auction

as recited by Claim 21, and similarly recited by dependent Claims 29 and 31.

There is no disclosure or suggestion that the system described by Hambrecht et al. is a payment system for effecting payment for at least one of a plurality of online auction registered users of an online auction web site maintained by an online auction system as recited by the preamble of Appellants' Claim 28. In particular, there is no disclosure or suggestion in Hambrecht et al. of "a computing device including application software ... for **periodically effecting payment for the at least one of the plurality of online auction registered users** by debiting an account of the plurality of accounts and crediting at least one account."

There is no disclosure or suggestion that the system described by Hambrecht et al. is a payment system for effecting payment to an operator of an online auction web site maintained by an online auction system as recited by the preamble of Appellants' Claim 30. In particular, there is no disclosure or suggestion in Hambrecht et al. of "a computing device including application software ... for **automatically effecting payment for the at least one of the plurality of online auction registered users** by debiting an account of the plurality of accounts and crediting at least one account."

Accordingly, since the prior art references, taken alone or in any proper combination, do not disclose or suggest all of Appellants' claim limitations, a requirement in establishing a *prima facie* case of obviousness, Appellants' independent Claims 21, 28 and 30 and their corresponding dependent claims are patentably distinct over Bogosian et al. in view of Hambrecht et al. Hence, withdrawal of the rejection under 35 U.S.C. §103(a) with respect to Claims 21, 28 and 30 and their corresponding dependent claims and allowance thereof are respectfully requested.

### **C. Hambrecht et al. is a Non-Analogous Prior Art Reference**

With respect to the rejection of Appellants' Claims 1-31 under 35 U.S.C. §103(a) as being unpatentable over Bogosian et al. in view of Hambrecht et al., it is respectfully submitted the secondary reference or Hambrecht et al. is a non-analogous prior art reference. Accordingly, the combination of the two references in rejecting Appellants' claims is inappropriate.

Besides the arguments presented below regarding Hambrecht et al. being a non-analogous reference, it is respectfully submitted that the two references are classified under different subclasses. Bogosian et al. is classified under 235/380; 382/139; and 705/39, whereas Hambrecht et al. is classified under 705/35-37. Additionally, the subclasses searched by the Examiner during the prosecution of each of these references do not overlap. This further provides evidentiary support that Bogosian et al. and Hambrecht et al. are non-analogous references.

#### **1. Test for Determining Whether a Reference is Analogous Prior Art**

According to the U.S. Court of Appeals for the Federal Circuit, an item of prior art is analogous if it comes from the same field of endeavor in which the applicant was working, whether or not it concerns the problem the applicant was addressing. An item of prior art is also analogous even if it was not from the same field in which the applicant was working, so long as it was reasonably pertinent to the particular problem that the applicant was trying to solve. In re Clay, 966 F.2d 656, 23 USPQ2d 1058 (Fed. Cir. 1992).

"[The] test for analogous art requires the PTO to determine the appropriate field of endeavor by reference to explanations of the invention's subject matter in the patent application, including the embodiments, function, and structure of the claimed invention." In re Bigio, No.

03-1358 (Fed. Cir. 2004); see also, *In re Wood*, 599 F.2d 1032 (CCPA 1979) (confining the field of endeavor to the scope explicitly specified in the background of the invention).

## **2. Appellants' Field of Endeavor**

By referring to explanations of Appellants' subject matter in the patent application, "including the embodiments, function, and structure of the claimed invention" as required by the test established by the Federal Circuit, as well as the application's Background of the Invention section, one determines the scope of Appellants' field of endeavor with respect to the present application is to provide payment methods and systems for effecting payment for registered users of an electronic auction web site of the type which enables the registered users to list items for auction sale and for said registered users to also be able to bid for items listed for auction sale.

Appellants' Background of the Invention section discusses in detail how electronic auction web sites, such as eBay, operate and how traditional payment methodologies are used for effecting payment for items won through such web sites, including effecting payment by charging credit cards as described by Bogosian et al. Appellants' Background of the Invention section states the following before discussing the drawbacks of prior art methods for effecting payment for an item won on an electronic auction:

[0003] ... Electronic auctions typically entail a seller of an item accessing an electronic auction web site, such as EBA<sup>Y</sup><sup>TM</sup> and YAHOO!<sup>TM</sup> Auctions, using a remote terminal and a web browser via the electronic network. The prospective seller then lists the item for sale with a short description describing the item which may include a scanned photograph of the item, provides a beginning selling price, and a date and time for the auction to end. Generally, the date and time for the auction to end must be at least seven to ten days from the present date and time; the present date and time is generally set as the date and time for the auction to begin by an auction management system, such as software and hardware modules, overseeing the electronic auction web site.

[0004] The seller can also provide, prior to initiating the commencement of the electronic auction, any additional costs the winning bidder will have to pay, such as shipping and handling fees and taxes, and any additional costs the winning bidder is recommended to pay, such as shipping insurance. Additional information which is provided by the seller or the electronic auction web site management system, prior to the commencement of the electronic auction, includes identification information corresponding to the seller, e.g., the seller's username, and the seller's location.

[0005] During the auction, a prospective bidder using a remote terminal accesses the electronic auction web site via the electronic network and views the item for sale. The prospective bidder can then submit a bid by typing a bid amount, which is greater than a displayed current selling price, and entering his user-name. The auction web site then informs the user or bidder whether he is or is not currently the highest bidder. If the bidder is not the highest bidder, the electronic auction web site informs the bidder of the current selling price and offers the bidder an opportunity to bid again.

[0006] The bidder may not be the highest bidder even though the bidder may have entered a bid amount greater than the displayed current selling price, because each bidder is allowed to enter a maximum bid amount, i.e., the most the bidder is willing to pay for the item. The electronic auction web site, however, typically displays an amount less than the maximum bid amount, which is sufficient to surpass a previous bid, as the displayed current selling price. Hence, a current bidder's bid amount may be greater than the displayed current selling price, but not greater than the previous bidder's maximum bid amount. Therefore, the current bidder will need to bid again if he desires to surpass the previous bidder's maximum bid amount and become the current high bidder.

[0007] The electronic auction web site also offers a prospective bidder the option of sending an e-mail to the seller via the electronic network in order to obtain additional information about the item offered for sale, prior to bidding for the item. The seller can then e-mail the prospective bidder with the additional information which may assist the prospective bidder in determining whether to bid or not to bid for the item. Further, if the seller realizes that the additional information can be helpful to other prospective bidders, the seller can append the description of the item with the additional information to allow anyone accessing the section of the electronic auction web site listing the item to read the additional information.

[0008] At the conclusion of the electronic auction, the electronic auction web site management system deems the bidder who has the highest bid as the winning bidder. To effect payment for the item, an e-mail is sent to the seller and the winning bidder informing them to contact each other to proceed with a payment transaction. Upon the seller notifying the winning bidder of where to send payment, e.g., a check or money order, the winning bidder sends payment equal to the highest bid plus any other costs, such as shipping and handling, shipping insurance, and taxes, as indicated by the seller.

Soon after receiving the payment from the winning bidder, the seller ships the item to the winning bidder.

[0009] Another prior art method for effecting payment for the item won on the electronic auction entails clicking an icon on the electronic auction web site and accessing a payment web site (or a payment segment of the electronic auction web site). The payment web site typically lists the seller's user-name and the item won. While at the payment web site, the winning bidder enters credit card information and the amount to be charged to his credit card. Subsequently, a management system overseeing the payment web site charges the credit card for the entered amount to a company or entity affiliated with an operator or owner of the payment web site. Upon payment confirmation, an e-mail is sent to the seller instructing the seller to ship the item to the winning bidder. After two to three business days, the payment web site management system pays the seller by direct deposit an amount equal to the charged amount minus a commission and a transaction fee. The commission typically paid to the operator or owner of the electronic auction web site and the transaction fee is paid to the operator or owner of the payment web site.

[0010] A variation of this method is for the winning bidder to directly transfer his credit card information to the seller. The seller then charges the credit card information and waits for a payment confirmation prior to shipping the item to the winning bidder.

The "embodiments, function, and structure of the claimed invention" are described throughout Appellants' specification and in detail in the Detailed Description of the Preferred Embodiments section. The description given by the Appellants in this section provides additional evidentiary support that the scope of Appellants' field of endeavor with respect to the present application is to provide payment methods and systems for effecting payment for registered users of an electronic auction web site of the type which enables the registered users to list items for auction sale and for said registered users to also be able to bid for items listed for auction sale.

In particular, Appellants' Detailed Description section describes a network computing environment 100 which includes the computerized electronic auction payment system 110. "The network computing environment 100 is designed to allow a host of users shown as 102 access to an electronic auction web site via a network, such as the Internet 106. ... The users 102 are

unknown to web server computers 107 and 108 of an electronic auction system 112, such as EBAY™. The web server computers 107 and 108 include custom written application software to maintain the electronic auction web site and allow each user 102 to browse the electronic auction web site and bid for items and/or sell items as known in the art.” See paragraph [0038] of the published application.

The application further describes in detail, the computerized electronic auction payment system 110 and how a user registers, sets up an electronic auction payment account, and authorizes the payment system 110 to deduct funds stored within his electronic auction payment account for effecting payment for, inter alia, an item won through an electronic auction web site. The application describes that the user can provide pre-authorization to deduct the funds (prior to the conclusion of the electronic auction) or provide authorization after the conclusion of the electronic auction to deduct the funds for effecting payment using the computerized electronic auction payment system 110. The application also describes how a user can authorize the use of system funds for effecting payment, if the user does not have enough funds in his electronic auction payment account.

Only Appellants have realized the payment methodologies and payment systems described in the pending application for quickly and efficiently effecting payment to users of an electronic auction web site, and the operator of the electronic auction system and/or electronic auction payment system. The efficiencies in effecting payment are realized, inter alia, by virtue of maintaining a database of a plurality of electronic auction payment accounts corresponding to a plurality of users of the electronic auction web site, where each of the plurality of electronic auction payment accounts are configured for storing funds therein (see, e.g., Appellants'

specification at page 12, lines 14-18) (the prior art teaches accounts storing information, such as credit card information, as taught, for example, by Bogosian et al.). Appellants' described payment methodologies overcome the drawbacks of prior art payment methodologies used for effecting payment for items listed and purchased via electronic auction web sites, such as eBay<sup>TM</sup> and Yahoo!<sup>TM</sup> Auctions.

Hence, the scope of Appellants' field of endeavor with respect to the present application is to provide payment methods and systems for effecting payment for registered users of an electronic auction web site of the type which enables the registered users to list items for auction sale and for said registered users to also be able to bid for items listed for auction sale.

### **3. Teachings of Hambrecht et al.**

Hambrecht et al. is not directed to payment methods and systems for effecting payment for registered users of an electronic auction web site of the type which enables the registered users to list items for auction sale and for said registered users to also be able to bid for items listed for auction sale.

Hambrecht et al. is directed to techniques for pricing and allocating equity securities where shares are allocated to more than one bidder following the conclusion of the bidding process. (See e.g., the title of Hambrecht et al. which is "Auction System and Method for Pricing and Allocation During Capital Formation"; Abstract; and column 13, line 15 to column 15, line 57). It is respectfully submitted that all references made of record by the Examiner during the prosecution of Hambrecht et al. are directed to securities or securities auction systems. (See, e.g., the front page of Hambrecht et al. which lists seven references made of record by the Examiner (no reference were made of record by the patentees); all of the seven references are directed to

securities and securities auction systems). There are no references of record in Hambrecht et al. directed to areas or fields besides securities or securities auction systems. It is therefore understood that the patentees of Hambrecht et al. and the Examiner who examined their patent application did not believe that references directed to areas other than securities or securities auctions systems were within the scope of the patentees' field of endeavor, i.e., techniques for pricing and allocating equity securities, or had disclosure which was reasonably pertinent to the problem faced by the patentees.

According to Hambrecht et al.'s abstract, "Information about an offering to accept bids for equity shares is provided to qualified potential purchasers and non-qualified potential purchasers. Bids from potential purchasers for equity shares are received through a communication network. Bids are accepted and offered to be accepted only from qualified potential purchasers. A non-qualified potential purchaser submits a bid through a qualified potential purchaser. A clearing price for the offered shares is determined based on the received bids. Prospective investors who bid a price above the clearing price are allocated all of the shares for which they bid. Prospective investors who bid a price equal to the clearing price are allocated a pro-rate allocation of the shares for which they bid. No shares are allocated to prospective investors who bid a price below the clearing price."

It is respectfully submitted that system and method for pricing and allocating equity securities as described by Hambrecht et al. have different structure and function than Appellants' invention as recited by Appellants' claims. In particular, the system and method described by Hambrecht et al. **do not have structure for effecting payment or performing at least one**

**payment-related activity**, and therefore, cannot effect payment or perform at least one payment-related activity as required by Appellants' claims.

The system and method described by Hambrecht et al. is a computer system and computer implemented method, respectively, utilizing a software system. The system and method described by Hambrecht et al. are capable of handling multiple aspects of an equity offering process, including subscription, pricing and allocation. See column 2, line 33 to column 4, line 41; column 33, line 66 to column 38, line 33. Hambrecht et al., however, does not disclose or suggest that one of the aspects capable of being handled by the computer system and computer implemented method is effecting payment or settling transactions. Hambrecht et al. discloses that transactions are settled by transferring funds from brokerage accounts of all successful bidders to the clearing agent **in accordance with the usual and customary procedures for settlement in accordance with Rule 15C61**. See column 6, lines 62-65.

Since Hambrecht et al. does not disclose structure and function recited by Appellants' claims, it is respectfully submitted that Hambrecht et al. does not come from the same field of endeavor in which the Appellants were working.

#### **4. Hambrecht et al. is Not Reasonably Pertinent**

Additionally, Hambrecht et al. is not reasonably pertinent to the particular problems that the Appellants were trying to solve, such as, *inter alia*, establishing different payment-related activities that can be selected for being performed for effecting payment for a purchaser of at least one item offered for an electronic auction sale, including a payment-related activity which withdraws funds from an account not corresponding to any users of an electronic auction web site; providing a method for effecting payment for a user of an electronic auction web site who

may not have sufficient funds in his payment account following the conclusion of an electronic auction; providing a payment system for automatically effecting payment without any intervention by the winning bidder following the conclusion of the electronic auction; and providing a payment system for periodically/automatically effecting payment for at least one of a plurality of online auction registered users.

It is respectfully submitted that one of ordinary skill in the art, such as the undersigned Applicant, in electronic auction web sites, such as eBay™ and Yahoo!™ Auctions, of the type used for listing items would not be reasonably expected to look for a solution facing the inventor to auction systems and methods of the type for pricing and allocating equity securities, such as the system and method described by Hambrecht et al. In brief, the subject matter for which Hambrecht et al. deals, i.e., pricing and allocating equity securities, logically would not have commended itself to the Appellants' attention in considering solutions to their problems. Accordingly, it is respectfully submitted that Hambrecht et al. is not reasonably pertinent to the particular problems that the Appellants were trying to solve.

Therefore, Hambrecht et al. is a non-analogous prior art reference and Appellants respectfully request withdrawal of the rejection under 35 U.S.C. §103(a) with respect to Claims 1-31 and their corresponding dependent claims and allowance thereof.

#### **D. No Motivation to Combine Bogosian et al. and Hambrecht et al.**

With respect to the rejection of Appellants' Claims 1-31 under 35 U.S.C. §103(a) as being unpatentable over Bogosian et al. in view of Hambrecht et al., it is respectfully submitted that there is no motivation to combine the two references. Accordingly, the rejection is respectfully traversed, since the combination of the two references in rejecting Appellants' claims is

inappropriate.

"There are three possible sources for a motivation to combine references: the nature of the problem to be solved, the teachings of the prior art, and the knowledge of persons of ordinary skill in the art." In re Rouffet, 149 F.3d 1350, 1357, 47 USPQ2d 1453, 1457-58 (Fed. Cir. 1998). "The test for an implicit showing is what the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole would have suggested to those of ordinary skill in the art." In re Kotzab, 217 F.3d 1365, 1370, 55 USPQ2d 1313, 1317 (Fed. Cir. 2000). See also, In re Lee, 277 F.3d 1338, 1342-44, 61 USPQ2d 1430, 1433-34 (Fed. Cir. 2002). The level of skill in the art cannot be relied upon to provide the suggestion to combine references. Al-Site Corp. v. VSI International Inc., 174 F.3d 1308, 50 USPQ2d 1161 (Fed. Cir. 1999).

### **1. Nature of the Problem to be Solved**

Appellants overcame the drawbacks in the prior art as outlined in Appellants' Background of the Invention section (describes nature of the problem to be solved) by providing payment methods and systems which, *inter alia*:

- maintain a database of a plurality of electronic auction payment accounts each configured for storing funds therein and each (Claims 1) or at least one (Claim 14) capable of being used for user transactions in an electronic auction system (independent Claims 1 and 14);
- perform at least one payment-related activity for effecting payment for a purchaser of at least one item offered for an electronic auction sale, where the payment-related activity can include withdrawing funds from an account not corresponding to any users of an electronic auction web site (independent Claims 1, 14);

- automatically effecting payment without any intervention by the winning bidder following the conclusion of the electronic auction (independent Claim 21);
- effect payment for a user of an electronic auction web site who may not have sufficient funds in his payment account following the conclusion of an electronic auction (independent Claim 24);
- periodically/automatically effect payment for at least one of a plurality of online auction registered users (independent Claims 28 and 30); and
- periodically/automatically effect payment for an online auction registered user without any intervention by the online auction registered user (dependent Claims 29 and 31).

It is respectfully submitted that the disclosure of Hambrecht et al. is not related to Appellants' nature of the problem to be solved by the Appellants, namely, providing methods and systems for effecting payment for a user, registered user or winning bidder of an electronic auction or online web site as outlined above. Rather, Hambrecht et al. is directed to techniques for pricing and allocating equity securities; . Therefore, the nature of the problem to be solved by Appellants would not have suggested to one of ordinary skill in the art to combine Bogosian et al. and Hambrecht et al.

## **2. Teachings of the Prior Art**

Bogosian et al. teaches a credit card payment methodology for effecting payment for a user or winning bidder for an item won via an electronic auction sale or purchased via an electronic fixed-price sale. Hambrecht et al. teaches a computer system and computer implemented method for pricing and allocating equity securities.

The combined teachings of the references do not suggest to one of ordinary skill in the art to modify or combine the references to arrive at the claimed invention. There is no suggestion by the teachings of the references to modify the references to provide payment methods and systems as recited by Appellants' claims. That is, payment methods and systems for doing the following functions:

- maintain a database of a plurality of electronic auction payment accounts each configured for storing funds therein and each (Claims 1) or at least one (Claim 14) capable of being used for user transactions in an electronic auction system (independent Claims 1 and 14);
- perform at least one payment-related activity for effecting payment for a purchaser of at least one item offered for an electronic auction sale, where the payment-related activity can include withdrawing funds from an account not corresponding to any users of an electronic auction web site (independent Claims 1, 14);
- automatically effecting payment without any intervention by the winning bidder following the conclusion of the electronic auction (independent Claim 21);
- effect payment for a user of an electronic auction web site who may not have sufficient funds in his payment account following the conclusion of an electronic auction (independent Claim 24);
- periodically/automatically effect payment for at least one of a plurality of online auction registered users (independent Claims 28 and 30); and
- periodically/automatically effect payment for an online auction registered user without any intervention by the online auction registered user (dependent Claims 29 and 31).

Therefore, the teachings of the prior art would not have suggested to one of ordinary skill in the art to combine Bogosian et al. and Hambrecht et al.

### **3. Knowledge of Persons of Ordinary Skill in the Art**

It is respectfully submitted that knowledge of persons of ordinary skill in the art would not have led to the combination of the two references. Bogosian et al. teaches a credit card payment methodology for effecting payment for a user or winning bidder for an item won via an electronic auction sale or purchased via an electronic fixed-price sale. Hambrecht et al. teaches a computer system and computer implemented method for pricing and allocating equity securities.

Even though Hambrecht et al. does not cure the deficiencies of Bogosian et al. as discussed in Sections A and B above, a person of ordinary skill in the art, such as the undersigned Applicant, would not be motivated to look to references describing how to price and allocate equity securities in an attempt to cure the deficiencies of Bogosian et al.

In conclusion, since the three possible sources as a whole would not have suggested to those of ordinary skill in the art to combine or modify the references, obviousness cannot be established by combining or modifying the teachings of the references to arrive at the claimed invention. Hence, Appellants' independent claims and their corresponding dependent claims are patentably distinct over Bogosian et al. and Hambrecht et al., since the combination is inappropriate. Accordingly, withdrawal of the rejection under 35 U.S.C. §103(a) with respect to Claims 1-31 and their corresponding dependent claims and allowance thereof are respectfully requested.

## CONCLUSION

The rejection with respect to Claims 21, 28 and 30 and their respective dependent claims is procedurally and legally defective, and therefore the rejection with respect to these claims should be reversed. Additionally, independent Claims 1, 14, 21, 24, 28 and 30 and their respective dependent claims are patentable over Bogosian et al. and Hambrecht et al., taken alone or in any proper combination, and therefore the rejection with respect to these claims should be reversed.

Respectfully submitted,



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## APPENDIX OF CLAIMS

1. A method for effecting payment for a purchaser of at least one item offered for an electronic auction sale by a seller via an electronic auction web site maintained by at least one computing device of an electronic auction system, said method comprising the steps of:

maintaining a database of a plurality of electronic auction payment accounts corresponding to a plurality of users, including the purchaser, of said electronic auction web site and a payment segment of said electronic auction web site by an electronic auction payment system integrated with said electronic auction system, each of said plurality of electronic auction payment accounts configured for storing funds therein and each capable of being used for user transactions in the electronic auction system;

performing at least one payment-related activity by said electronic auction payment system for effecting payment for said purchaser, said at least one payment-related activity selected from the group consisting of debiting an electronic auction payment account corresponding to the purchaser of the at least one item and maintained by said electronic auction payment system, and withdrawing funds from at least one account storing funds therein and not corresponding to at least one of the plurality of users; and

crediting at least one account corresponding to the seller to effect payment for the at least one item offered for the electronic auction sale via the electronic auction web site.

2. The method according to Claim 1, wherein the plurality of electronic auction payment accounts includes an electronic auction payment account corresponding to the seller.

3. The method according to Claim 2, wherein the at least one credited account corresponding to the seller includes at least the electronic auction payment account corresponding to the seller.

4. The method according to Claim 1, further comprising the step of receiving authorization from the purchaser of the at least one item to perform the at least one payment-related activity and to credit the at least one account corresponding to the seller prior to the steps of debiting the purchaser's electronic auction payment account and crediting the at least one account corresponding to the seller.

5. The method according to Claim 1, wherein the steps of debiting and crediting are performed in real-time.

6. The method according to Claim 1, further comprising the steps of: determining if there are sufficient funds in the electronic auction payment account corresponding to the purchaser of the at least one item to effect payment; and performing the step of withdrawing funds from the at least one account storing funds therein and not corresponding to at least one of the plurality of users, if there are not sufficient funds in the electronic auction payment account corresponding to the purchaser of the at least one item.

7. The method according to Claim 6, further comprising the step of charging interest for funds withdrawn from the at least one account storing funds therein to effect payment.

8. The method according to Claim 1, further comprising the steps of: determining if the purchaser of the at least one item has indicated a purchase of

insurance and/or for a personal guarantee for the at least one item; and  
debiting the electronic auction payment account corresponding to the purchaser of  
the at least one item for an amount of funds to cover the purchase of insurance and/or for the  
personal guarantee for the at least one item purchased, if the purchaser of the at least one item  
has indicated the purchase of insurance and/or for the personal guarantee for the at least one item.

9. The method according to Claim 8, further comprising the step of retaining,  
by an operator of the at least one computing device, a portion of the amount of funds debited as a  
service fee for the purchase of insurance and/or for the personal guarantee for the at least one  
item.

10. The method according to Claim 2, further comprising the step of initiating  
the investment of funds corresponding to at least one of the plurality of electronic auction  
payment accounts.

11. The method according to Claim 10, further comprising the steps of:  
allocating a percentage of funds gained by investing the funds to the at least one  
of the plurality of electronic auction payment accounts; and  
retaining, by an operator of the at least one computing device, a percentage of  
funds gained by investing the funds.

12. The method according to Claim 2, further comprising the step of issuing  
checks to at least one potential user having a corresponding electronic auction payment account.

13. The method according to Claim 1, further comprising the step of retaining,  
by an operator of the at least one computing device, a percentage of funds debited from the  
electronic auction payment account corresponding to the purchaser of the at least one item prior

to crediting the at least one account corresponding to the seller.

14. A system for effecting payment for a purchaser of at least one item offered for an electronic auction sale by a seller via an electronic auction web site maintained by at least one computing device of an electronic auction system, said system comprising:

an electronic auction payment system integrated with said electronic auction system, said electronic auction payment system comprising a plurality of electronic auction payment accounts and means for maintaining a payment segment of said electronic auction web site and said plurality of electronic auction payment accounts corresponding to a plurality of users, including the purchaser, of the electronic auction web site, where the plurality of electronic auction payment accounts are configured for storing funds therein, and the plurality of electronic auction payment accounts include an electronic auction payment account corresponding to the purchaser of the at least one item offered for the electronic auction sale and an electronic auction payment account corresponding to the seller;

means for performing at least one payment-related activity by said electronic auction payment system for effecting payment for said purchaser, said at least one payment-related activity selected from the group consisting of debiting an electronic auction payment account corresponding to the purchaser of the at least one item and maintained by said electronic auction payment system, and withdrawing funds from at least one account storing funds therein and not corresponding to at least one of the plurality of users; and

means for crediting at least one account corresponding to the seller to effect payment for the at least one item.

15. The system according to Claim 14, further comprising:  
means for determining if there are sufficient funds in the electronic auction  
payment account corresponding to the purchaser of the at least one item to effect payment; and  
means for performing the step of withdrawing funds from the at least one account  
storing funds therein and not corresponding to at least one of the plurality of users, if there are  
not sufficient funds in the electronic auction payment account corresponding to the purchaser of  
the at least one item.

16. The system according to Claim 15, further comprising means for charging  
interest for funds withdrawn from the at least one account storing funds therein to effect  
payment.

17. The system according to Claim 14, further comprising means for initiating  
the investment of funds corresponding to at least one of the plurality of electronic auction  
payment accounts.

18. The system according to Claim 17, further comprising:  
means for allocating a percentage of funds gained by investing the funds to the at  
least one of the plurality of electronic auction payment accounts; and  
means for retaining a percentage of funds gained by investing the funds.

19. The system according to Claim 14, further comprising means for retaining  
a percentage of funds debited from the electronic auction payment account corresponding to the  
purchaser of the at least one item prior to crediting the at least one account corresponding to the  
seller.

20. The system according to Claim 14, wherein the means for debiting and the means for crediting debit the electronic auction payment account corresponding to the purchaser of the at least one item and credit the at least one account corresponding to the seller, respectively, in real-time.

21. A payment system for effecting payment to a seller of at least one item offered for an electronic auction sale via an electronic auction web site and won by a winning bidder at the conclusion of the electronic auction sale, said electronic auction web site being maintained by an electronic auction system, said payment system comprising:

a database containing a plurality of electronic auction payment accounts, where the plurality of electronic auction payment accounts are configured for storing funds therein, and where one of the plurality of electronic auction payment accounts corresponds to the winning bidder of the at least one item and one of the plurality of electronic auction payment accounts corresponds to the seller; and

a computing device including application software for maintaining the plurality of electronic auction payment accounts and for automatically effecting payment to the seller by accessing the database and debiting the electronic auction payment account corresponding to the winning bidder of the at least one item and crediting at least one account corresponding to the seller without any intervention by the winning bidder following the conclusion of the electronic auction, wherein said payment system maintains the database containing the plurality of electronic auction payment accounts and a payment segment of the electronic auction web site.

22. The payment system according to Claim 21, wherein the computing device debits the electronic auction payment account corresponding to the winning bidder of the at least

one item and credits the at least one account corresponding to the seller in real-time.

23. The payment system according to Claim 21, wherein the computing device further includes application software for automatically effecting payment to an operator of the electronic auction web site using at least funds debited from the electronic auction payment account corresponding to the winning bidder of the at least one item.

24. A method for automatically effecting payment for a user of an electronic auction web site maintained by an electronic auction system, said method comprising the steps of:

determining if there are sufficient funds in a payment account to effect payment, said payment account being maintained by an electronic auction payment system integrated with said electronic auction system, said payment account corresponding to the user of the electronic auction web site and configured for storing funds therein;

debiting the payment account corresponding to the user of the electronic auction web site and crediting at least one account to effect payment for the user of the electronic auction web site, if there are sufficient funds in the payment account corresponding to the user to effect payment; and

loaning funds to effect payment, if there are not sufficient funds in the payment account corresponding to the user of the electronic auction web site.

25. The method according to Claim 24, wherein the step of debiting the payment account corresponding to the user of the electronic auction web site and crediting the at least one account to effect payment for the user of the electronic auction web site, if there are sufficient funds in the payment account corresponding to the user to effect payment, occurs in

real-time.

26. The method according to Claim 24, further comprising the step of charging interest for loaning funds to effect payment.

27. The method according to Claim 24, wherein the step of debiting comprises the step of retaining, by an operator associated with the electronic auction web site, a percentage of funds debited from the payment account corresponding to the user of the electronic auction web site prior to crediting the at least one account.

28. A payment system for effecting payment for at least one of a plurality of online auction registered users of an online auction web site maintained by an online auction system, said payment system comprising:

a database containing information corresponding to a plurality of accounts of the plurality of online auction registered users, said plurality of accounts being configured for storing funds therein; and

a computing device including application software for maintaining the plurality of accounts and for periodically effecting payment for the at least one of the plurality of online auction registered users by debiting an account of the plurality of accounts and crediting at least one account, wherein the debited account corresponds to the at least one online auction registered user, wherein said payment system is integrated with said online auction system and maintains a payment segment of said online auction web site.

29. The payment system according to Claim 28, wherein application software periodically effects payment for the at least one of the plurality of online auction registered users without any intervention by the at least one online auction registered user.

30. A payment system for effecting payment to an operator of an online auction web site maintained by an online auction system, said payment system comprising:

a database containing information corresponding to a plurality of accounts of a plurality of online auction registered users, said plurality of accounts being configured for storing funds therein; and

a computing device including application software for maintaining said plurality of accounts and for automatically effecting payment for at least one of the plurality of online auction registered users by debiting an account of the plurality of accounts and crediting at least one account corresponding to the operator, wherein the debited account corresponds to the at least one online auction registered user, wherein said payment system is integrated with said online auction system and maintains a payment segment of said online auction web site.

31. The payment system according to Claim 30, wherein application software automatically effects payment for the at least one of the plurality of online auction registered users without any intervention by the at least one online auction registered user.